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Sustainable development and international economic cooperation: Implementation of the Programme of Action for the Least Developed Countries for the 1990s

Letter dated 30 September 1998 from the Permanent Representative of Bangladesh to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith the text of the Declaration adopted by the Ministers of the Least Developed Countries at their Eighth Annual Meeting, held at United Nations Headquarters on 28 September 1998 (see annex).

I would like to request that the present letter and its annex be circulated as a document of the General Assembly under agenda item 93 (e).

(*Signed*) Anwarul Karim **Chowdhury**
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of Bangladesh to the United Nations and
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Annex

Declaration of the Ministers of the Least Developed Countries at their Eighth Annual Meeting, held at United Nations Headquarters on 28 September 1998

We, the Ministers of the Least Developed Countries, having met at the United Nations headquarters during the 53rd session of the General Assembly, on 28 September 1998 pursuant to the decision of the Dhaka Declaration of February 1990,

Recalling the Ministerial Declaration adopted on 30 September 1997 during the fifty-second session of the General Assembly,

Having assessed progress in the implementation of the Programme of Action, solemnly declare the following:

1. We welcome the decision of the 52nd session of the United Nations General Assembly to convene the Third United Nations Conference on the Least Developed Countries in the year 2001. The mandate of the conference, as outlined in the resolution 52/187 of 18 December 1997 is both topical and timely. We express out satisfaction for this decision in response to our call made at the Seventh LDCs Ministerial Meeting. We most sincerely believe that the Conference will provide a historic rallying point for the LDCs and their development partners to revitalize their partnership to arrest and reverse the continued marginalization of LDCs and promote their development and progressive integration into the world economy within a framework of genuine partnership and shared responsibility.

2. An important task before the Conference would be to review implementation of international support measures during the 1990s, particularly in the areas of Official Development Assistance (ODA), debt, investment and trade. The lack of progress in the implementation of the provisions of the Programme of Action for the LDCs for the 1990s with regard to international support to LDCs is a matter of deep concern. Far from providing LDCs with substantially increased external financial resources, as agreed under the Programme of Action and meeting the agreed targets of ODA, the donor assistance has fallen to historically low levels in recent years. Only a handful of donor countries have continued to meet or exceed ODA targets, who deserve our appreciation. Availability of adequate external financial resources is critical to resume and sustain growth and development in LDCs. We call upon all development partners to move expeditiously to substantially increase the level of financial assistance to LDCs with a view to meeting their commitments under the Programme of Action.

3. The external debt situation of LDCs continues to be grave. The debt relief measures undertaken so far have proved to be grossly inadequate. Without a decisive reduction in debt stock and debt service obligations, the growth prospects of LDCs will continue to be bleak. We appeal to all creditor countries to cancel all outstanding debt owed by LDCs. We consider the HIPC initiative by the World Bank and the IMF as a step in the right direction. However, the eligibility criteria must be significantly eased to make the scheme more flexible and inclusive. While a majority of LDCs are included under the HIPC initiative, debt relief requirements of other LDCs should also be promptly and adequately met.

4. The marginalization of LDCs in world trade has accentuated in recent years. Strengthening LDCs' capacity to participate in the multilateral trading system should be an important part of international efforts to integrate LDCs into the world economy. Expeditious accession of LDCs that are not members of WTO to that organization should be an integral part of these efforts. We call for full and effective implementation of the special and differential measures in favour of LDCs as contained in multilateral trade agreements. We stress that in implementing existing multilateral trade agreements and in future negotiations, the international community must ensure that the obligations placed on LDCs are consistent with their level of development and capacity to carry out such obligations. We further stress that significant scope exists in improving market access conditions for LDCs, including through removal of tariff peaks and tariff escalation.

5. We welcome the call in the first-ever Ministerial Communiqué adopted at the high-level segment of the 1998 substantive session of the ECOSOC, for working together to enhance market access of exports from the LDCs and to support their efforts at capacity-building. We also welcome the recognition that the full implementation of the Plan of Action for the LDCs required further progress towards duty-free imports from them. We call upon all development and trading partners to effectively follow-up the results of the High-level Meeting on Trade Development of LDCs, held under the auspices of WTO in October 1997 with a view to enhancing market access for exports of LDCs and strengthening their export supply capacity. We hope that implementation of UNCTAD's integrated country programmes will result in strengthening supply capacity for exportable goods and services of LDCs and that the programmes could be expanded to other countries. We call upon the development partners and other countries in a position to do so to contribute generously to the UNCTAD Trust Fund for providing start-up costs for these programmes.

6. We underscore that the progress in economic transformation made by LDCs in recent years have been primarily due to the wide-ranging reforms undertaken by our countries under most difficult domestic and external conditions. We reaffirm our commitment to pursue appropriate macro-economic policies to promote growth and

development. We will continue to make efforts to create conditions for improved domestic and foreign investment and the diversification of our exports. We reiterate our call upon the development partners to put in place policies and measures that would facilitate more inward movement of resources for development, including FDI to LDCs and the promotion of transfer of technology in support of our national actions.

7. We are deeply concerned by the financial crises faced by a number of countries and regions of the world. These have the potential of greatly undermining LDCs' growth and development. Declining commodity prices is a clear indication of the dangers faced by our countries in the current world economic context. We invite the development partners to urgently put in place safety-net measures to shield our fragile economies and vulnerable populations against the impact of these financial crises. The views and interests of the Least Developed Countries should be fully and adequately reflected in discussion and negotiations on global financial issues. LDCs must be able to participate in this process.

8. We are also deeply concerned at the increase in level of extreme poverty in the least developed countries and an increase in absolute number of people living in poverty, despite our effort at its eradication. The feminization of poverty is particularly disturbing. We stress that the international community and the UN should significantly enhance its support to the LDCs from its present level. In this context, we welcome the General Assembly's adoption of resolution on the role of microcredit in the eradication of poverty. We recognize that microcredit programmes are a key strategy in promoting self-employment, income generation, eradication of poverty and empowerment of people, particularly of women. We call on the UN system to support establishment of new and strengthening of existing micro-lending institutions, so that credit for self-employment may be made available to greater number of people living in poverty.

9. We are concerned by the growing number of humanitarian and natural disasters and environmental emergencies which often strike countries that lack the resources to cope with them adequately. We stress that humanitarian and natural disaster reduction forms an integral part of sustainable development plans of vulnerable countries and communities. International cooperation to address emergency situations and strengthen the response capacity of affected countries is of great importance. We call on the intergovernmental non-governmental organizations working impartially and with strictly humanitarian motives to continue to make significant contribution for supplementing national efforts in tackling humanitarian emergencies.

10. We reiterate the need for a holistic approach for advancement of women, including achievement of their empowerment and economic independence. We are convinced that health and education programmes need to concentrate more on women and the girl child. We express deep concern about the situation of children in difficult

circumstances. We are determined to take urgent and appropriate measures to protect them and improve their rehabilitation and living conditions. We stress the requirement of adequate resources to meet these undertakings.

11. We note that the process of globalization and liberalization poses serious risk and challenges to the Least Developed Countries, specially the smallest amongst them, and emphasize the importance of further improvements in the existing LDC criteria to make it reflective of structural weakness, impediments to development, and constraints to integration into the world economy. In this regard we call for the early development of vulnerability index for small islands developing States, as called for by the General Assembly resolution 51/183 of 16 December 1996. We are of the view that the question of graduation of any member state should be deferred until such an index is developed by the Committee for Development Policy (CDP) and until the report requested from UNCTAD on practical impact of the measures in favour of least developed countries in the various international agreements and programmes is completed.

12. We emphasize the crucial importance of adequate preparations for the Third UN Conference on the LDCs. The preparatory activities should take into account the development priorities articulated by LDCs themselves. The work of the Conference should be based on serious substantive and deliberative work. It should draw on national experiences of LDCs, as well as on the lessons learned from the implementation of the Programme of Action for the LDCs for the 1990s and other major global conferences. The General Assembly designated UNCTAD as the focal point for the preparations of the Conference, and we call upon UNCTAD to launch a preparatory process as early as possible.

13. We urge the development partners, intergovernmental and multilateral institutions and others concerned to take appropriate steps to ensure that adequate preparations are made for the Conference, to participate effectively in the preparatory process, and to support LDCs in their own preparations. We call upon UNCTAD, UNDP and the World Bank to collaborate in integrating the outcomes of the Round Tables and Aid Group/Consultative Group meetings into the substantive preparatory work of the Conference. We also welcome the decision of the General Assembly that the future issues of the Least Developed Countries Annual Report would make substantive contribution to the Conference and its preparations.

14. Effective participation of LDCs in the Third UN Conference on LDCs is of utmost importance. We call upon the Secretary-General of the United Nations to ensure appropriate support and substantive input in the preparatory process of the conference, and for making proposals for resources, for this purpose for the consideration of the General Assembly, so as to defray the cost of participation of at least two representatives from each LDC in the preparatory meetings and the Conference itself.

We also request the Secretary-General, with the assistance of concerned organizations and bodies of the United Nations, to take necessary measures to initiate public information efforts and other actions to enhance public awareness on issues before the Conference.